

6TH REPORT OF THE

AUDIT COMMITTEE

Meeting held on September 26, 2013, commencing at 4:03 PM, in Committee Room #5, Second Floor, London City Hall.

PRESENT: Councillor M. Brown (Chair), Councillors N. Branscombe, P. Hubert and J. Swan, and W. DeShane and C. Saunders (Secretary).

ALSO PRESENT: A. Zuidema, J.P. Barber, G. Belch, N. Dowhonick (PwC), P. Foto, S. Gilfillan (PwC), M. Hayward, J. Logan, V. McAlea Major, J. Morgan (Chair, London Public Library Board), K. Owen, A. Prince, C. Shah (PwC), S. Swance and M. Turner.

I. CALL TO ORDER

1. Disclosures of Pecuniary Interest

Recommendation: That it BE NOTED that no pecuniary interests were disclosed.

II. CONSENT ITEMS

None.

III. SCHEDULED ITEMS

None.

IV. ITEMS FOR DIRECTION

2. Municipal Performance Measurement Program (MPMP) - Three Year Comparative Values 2010 - 2012

Recommendation: That, the following actions be taken regarding the Municipal Performance Measurement Program (MPMP) – Three Year Comparative Values 2010 – 2012:

- a) the staff report dated September 26, 2013 BE RECEIVED for information; and,
 - b) the Civic Administration BE DIRECTED to provide additional background information in future reports with respect to the data provided.
3. Potential Amendments to the 2013 Risk-Based Audit Plan and Scoping for 2014 Risk-Based Audit Plan

Recommendation: That, on the recommendation of PricewaterhouseCoopers (PwC), the following actions be taken regarding potential amendments to the 2013 Risk-Based Audit Plan and scoping for the 2014 Risk-Based Audit Plan:

- a) PricewaterhouseCoopers' report dated September 26, 2013 BE RECEIVED for information; and,
 - b) the proposed 2013 Risk-Based Audit Plan and scoping for the 2014 Risk-Based Audit Plan BE APPROVED.
4. Quarterly Report on Internal Audit Results - Corporate Services - Finance: Facilities and Property Utilization and Corporate Services - Finance: Property Tax Assessments and Collections

Recommendation: That, on the recommendation of PricewaterhouseCoopers (PwC), the following actions be taken on the Quarterly Reports on Internal Audit Results – Corporate Services/Finance - Facilities and Property Utilization and Corporate Services/Finance - Property Tax Assessments and Collections:

- a) PricewaterhouseCoopers' (PwC) report dated September 26, 2013 BE RECEIVED for information;
- b) the action plans identified in Appendix A of PricewaterhouseCoopers' (PwC) report dated September 26, 2013, BE IMPLEMENTED;
- c) the action plans identified in Appendix B of PricewaterhouseCoopers' (PwC) report dated September 26, 2013, BE IMPLEMENTED;
- d) the Quarterly Results on Internal Audit Results identified in Appendix C of PricewaterhouseCoopers' (PwC) report dated September 26, 2013, BE RECEIVED; and,
- e) PricewaterhouseCoopers (PwC) BE REQUESTED to provide an update regarding the review of Information Technology governance and risk at the next meeting of the Audit Committee.

5. Retention of Outside Consulting Services

Recommendation: That PriceWaterhouseCoopers (PwC) BE DIRECTED to undertake a review of the current City of London practices and policies with respect to retaining external consulting services, except for consultant reports subject to labour relations privilege, litigation privilege, solicitor-client privilege or exceptions under the *Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)*, and to report back to the Audit Committee on the following matters:

- a) any improvements that can be made to ensure that external consultants are being engaged at appropriate times to achieve a value for money perspective; and,
- b) opportunities to strengthen accountability and transparency with respect to the process followed to retain external consultants.

V. DEFERRED MATTERS/ADDITIONAL BUSINESS

6. PricewaterhouseCoopers LLP (PwC) Audit Services - Revenue

Recommendation: That the letter dated September 20, 2013, from Susanna Hubbard Krimmer, CEO & Chief Librarian, London Public Library, and the appended report from PricewaterhouseCoopers (PwC) with respect to an audit of the London Public Library – revenue base and fee structure, BE RECEIVED.

VI. CONFIDENTIAL

(See Confidential Appendix to the 6th Report of the Audit Committee enclosed for Members only.)

The Audit Committee convened in camera from 5:11 PM to 5:38 PM after having passed a motion to do so, with respect to the following matters:

- C-1. A matter pertaining to personal information about identifiable individuals, including municipal employees, with respect to employment related matters, including employee negotiations, advice or recommendations of officers and employees of the Corporation, including communications necessary for that purpose regarding succession planning.
- C-2. A matter pertaining to the security of the property of the Corporation as it contains commercial and financial information supplied in confidence to the Corporation, the disclosure of which could be reasonably expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons or organization, result in similar information no longer being supplied to the Corporation where it in the public interest that similar information continue to be so supplied and result in undue loss or gain to any person, group, committee or financial institution or agency and matters related to the personal information about identifiable individuals, including municipal or local board employees related to the potential provision of internal

audit services for the City of London, by an external organization.

- C-3. A matter pertaining to employee negotiations; personal matters, including information regarding identifiable individuals, including municipal employees, with respect to employment related matters, including advice or recommendations of officers and employees of the Corporation, including communications necessary for that purpose and for the purpose of providing instructions and directions to officers and employees of the Corporation.

VII. ADJOURNMENT

The meeting adjourned at 5:46 PM.